

KIRIN HOLDINGS COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 (UNDER IFRS)

(UNAUDITED)

November 9, 2022

(English Translation)

Fiscal year ending December 31, 2022

KIRIN HOLDINGS COMPANY, LIMITEDNAKANO CENTRAL PARK SOUTH, 10-2, Nakano 4-chome, Nakano-ku, Tokyo, Japan (URL <https://www.kirinholdings.com/en/>)

Code No.:	2503
Shares Listed:	Tokyo, Nagoya, Sapporo and Fukuoka
Representative:	Mr. Yoshinori Isozaki, President and CEO
For further information, please contact:	Mr. Nobuhiko Hori, General Manager of Corporate Communications Department Telephone: +81-3-6837-7015 from overseas
Submission date of quarterly securities report scheduled:	November 11, 2022
Commencement date of dividend distribution scheduled:	—
Preparation of supplementary documents to the financial results:	Yes
Holding of financial results presentation (for institutional investors and analysts):	Yes

1. Consolidated business results and financial position for the first nine months of the current fiscal year (January 1, 2022 - September 30, 2022)

[Unit: Japanese yen (¥)]

(1) Results of operations (cumulative): (Amounts are rounded to the nearest ¥1 million)
(Percentage change compares current results with those of the same period of the previous year)

	Revenue (¥ millions)	Percentage change (%)	Normalized operating profit (¥ millions)	Percentage change (%)	Profit before tax (¥ millions)	Percentage change (%)
Nine months ended						
September 30, 2022	1,457,154	9.8	135,155	14.5	204,314	103.6
September 30, 2021	1,326,547	(2.4)	117,988	(9.4)	100,348	(12.9)

	Profit (¥ millions)	Percentage change (%)	Profit attributable to owners of the Company (¥ millions)	Percentage change (%)	Total comprehensive income (¥ millions)	Percentage change (%)
Nine months ended						
September 30, 2022	160,777	131.2	129,059	150.0	273,226	204.7
September 30, 2021	69,529	(26.1)	51,627	(28.0)	89,678	21.4

	Basic earnings per share (¥)	Diluted earnings per share (¥)
Nine months ended		
September 30, 2022	156.37	156.36
September 30, 2021	61.93	61.91

Reference: Operating profit	Nine months ended September 30, 2022	¥128,431 million	63.7%
	Nine months ended September 30, 2021	¥78,475 million	(24.8%)

* Normalized operating profit is a profit indicator for measuring recurring performance which is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

(2) Financial position:

	Total assets	Total equity	Equity attributable to owners of the Company	Equity ratio attributable to owners of the Company
	(¥ millions)	(¥ millions)	(¥ millions)	(%)
As of				
September 30, 2022	2,620,011	1,306,832	1,031,247	39.4
December 31, 2021	2,471,933	1,147,990	894,179	36.2

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended December 31, 2021	—	32.50	—	32.50	65.00
Fiscal year ending December 31, 2022	—	32.50	—		
Fiscal year ending December 31, 2022 (Forecast)				32.50	65.00

Note: Revision of the forecast from recently announced figures: None

3. Forecast consolidated business results for the current fiscal year (January 1, 2022 - December 31, 2022)

(Percentage change compares forecast results with actual results of the previous year)

	Revenue	Percentage change	Normalized operating profit	Percentage change	Profit before tax	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Fiscal year ending December 31, 2022	1,990,000	9.2	172,000	4.0	227,000	127.9

	Profit	Percentage change	Profit attributable to owners of the Company	Percentage change	Basic earnings per share
	(¥ millions)	(%)	(¥ millions)	(%)	(¥)
Fiscal year ending December 31, 2022	173,000	152.8	134,000	124.1	162.93

Note: Revision of the forecast from recently announced figures: None

Reference: Operating profit Fiscal year ending December 31, 2022 ¥146,000 million 114.4%

* Notes

(1) Changes in significant subsidiaries for the nine months ended September 30, 2022: None
(Changes in specified subsidiaries accompanying change in scope of consolidation)

Newly included: -

Excluded: -

(2) Changes in accounting policies and changes in accounting estimates

i. Changes in accounting policies required by IFRS: None

ii. Changes in accounting policies due to other reasons: None

iii. Changes in accounting estimates: Yes

Note: For details, please see "NOTES TO CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS (CHANGES IN ACCOUNTING ESTIMATES)" on page 10.

(3) Number of shares outstanding (ordinary shares)

i. Number of shares outstanding at the end of the period (including treasury shares)

As of September 30, 2022 914,000,000 shares

As of December 31, 2021 914,000,000 shares

ii. Number of treasury shares at the end of the period

As of September 30, 2022 104,169,130 shares

As of December 31, 2021 80,414,185 shares

iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the nine months ended September 30, 2022 825,333,125 shares

For the nine months ended September 30, 2021 833,602,121 shares

Note: Number of treasury shares at the end of the period includes shares held in the BIP (Board Incentive Plan) Trust (1,965,900 shares at September 30, 2022 and 385,135 shares at December 31, 2021).

These shares are excluded in calculation of the average number of shares during the period.

* The summary of quarterly consolidated financial results is not subject to a quarterly review by certified public accountants or an audit corporation.

* Information about proper usage of forecast business results, and other special instructions

(1) The statements concerning future performance that are presented in this document are based on judgments using information available to Kirin Holdings and the Kirin Group as of the release date of this material. Certain risks and uncertainties could cause the results of Kirin Holdings and the Kirin Group to differ materially from any projections presented herein. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses, market trends, and exchange rates.

(2) The Company will post the Supplementary Documents to the Financial Results today, Wednesday, November 9, and will post the presentation materials from the financial results presentation to be held today, the presentation (conference call) content (video) and the main Q&A at the meeting as soon as possible on the Company's website.

(URL of the Company's website)

<https://www.kirinholdings.com/en/investors/>

ATTACHED MATERIALS

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1. CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(1) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ millions)

	At December 31, 2021	At September 30, 2022
Assets		
Non-current assets		
Property, plant and equipment	533,859	591,332
Goodwill	264,225	314,796
Intangible assets	196,341	229,218
Equity-accounted investees	399,367	351,126
Other financial assets	117,431	117,908
Other non-current assets	24,736	25,307
Deferred tax assets	109,354	131,915
Total non-current assets	1,645,313	1,761,601
Current assets		
Inventories	247,229	298,458
Trade and other receivables	387,921	357,881
Other financial assets	7,910	10,405
Other current assets	34,071	37,638
Cash and cash equivalents	149,488	154,028
Total current assets	826,620	858,410
Total assets	2,471,933	2,620,011

(¥ millions)

	At December 31, 2021	At September 30, 2022
Equity		
Share capital	102,046	102,046
Share premium	25,104	25,379
Retained earnings	998,177	1,074,851
Treasury shares	(201,801)	(251,782)
Reserves	(29,347)	80,753
Equity attributable to owners of the Company	894,179	1,031,247
Non-controlling interests	253,811	275,585
Total equity	1,147,990	1,306,832
Liabilities		
Non-current liabilities		
Bonds and borrowings	449,970	416,270
Other financial liabilities	145,453	136,015
Defined benefit liability	61,954	64,688
Provisions	4,707	4,583
Liabilities from application of equity method	19,426	17,036
Other non-current liabilities	32,875	28,708
Deferred tax liabilities	10,606	16,090
Total non-current liabilities	724,990	683,391
Current liabilities		
Bonds and borrowings	101,502	150,621
Trade and other payables	229,552	235,381
Other financial liabilities	65,907	64,070
Current tax liabilities	22,162	23,712
Provisions	1,901	1,188
Other current liabilities	177,929	154,817
Total current liabilities	598,953	629,789
Total liabilities	1,323,943	1,313,180
Total equity and liabilities	2,471,933	2,620,011

**(2) CONDENSED QUARTERLY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
 COMPREHENSIVE INCOME
 CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 NINE MONTHS ENDED SEPTEMBER 30, 2022**

(¥ millions)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Revenue	1,326,547	1,457,154
Cost of sales	728,239	800,495
Gross profit	598,308	656,659
Selling, general and administrative expenses	480,319	521,504
Normalized operating profit	117,988	135,155
Other operating income	4,045	25,424
Other operating expenses	43,558	32,148
Operating profit	78,475	128,431
Finance income	3,535	11,672
Finance costs	4,355	3,915
Share of profit of equity-accounted investees	22,693	20,038
Gain on sale of equity-accounted investees	—	48,087
Profit before tax	100,348	204,314
Income tax expense	30,819	43,537
Profit	69,529	160,777
Profit attributable to:		
Owners of the Company	51,627	129,059
Non-controlling interests	17,901	31,718
Profit	69,529	160,777
Earnings per share (¥)		
Basic earnings per share	61.93	156.37
Diluted earnings per share	61.91	156.36

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2022

(¥ millions)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Profit	69,529	160,777
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in equity instruments measured at fair value through other comprehensive income	995	1,359
Share of other comprehensive income of equity-accounted investees	203	686
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences on foreign operations	6,664	90,406
Cash flow hedges	1,286	(143)
Share of other comprehensive income of equity-accounted investees	11,002	20,142
Total other comprehensive income	20,149	112,449
Comprehensive income	89,678	273,226
Comprehensive income attributable to:		
Owners of the Company	77,629	240,554
Non-controlling interests	12,049	32,672
Comprehensive income	89,678	273,226

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2021

(¥ millions)

	Equity attributable to owners of the Company					
	Share capital	Share premium	Retained earnings	Treasury shares	Reserves	
					Net change in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2021	102,046	24,940	980,903	(201,783)	24,757	—
Profit	—	—	51,627	—	—	—
Other comprehensive income	—	—	—	—	1,526	198
Comprehensive income	—	—	51,627	—	1,526	198
Dividends from surplus	—	—	(54,184)	—	—	—
Acquisition of treasury shares	—	—	—	(22)	—	—
Disposal of treasury shares	—	(0)	—	1	—	—
Share-based payments	—	74	—	—	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	56	—	—	—	—
Transfer from reserves to retained earnings	—	—	6,669	—	(6,471)	(198)
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	129	(47,515)	(21)	(6,471)	(198)
Balance at September 30, 2021	102,046	25,069	985,016	(201,803)	19,811	—

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Reserves			Total		
	Foreign currency translation differences on foreign operations	Cash flow hedges	Total			
Balance at January 1, 2021	(91,702)	(577)	(67,522)	838,584	257,355	1,095,939
Profit	—	—	—	51,627	17,901	69,529
Other comprehensive income	22,990	1,289	26,002	26,002	(5,852)	20,149
Comprehensive income	22,990	1,289	26,002	77,629	12,049	89,678
Dividends from surplus	—	—	—	(54,184)	(11,179)	(65,364)
Acquisition of treasury shares	—	—	—	(22)	—	(22)
Disposal of treasury shares	—	—	—	1	—	1
Share-based payments	—	—	—	74	(155)	(81)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	56	90	146
Transfer from reserves to retained earnings	—	—	(6,669)	—	—	—
Other	—	—	—	—	31	31
Total transactions with owners of the Company	—	—	(6,669)	(54,076)	(11,213)	(65,289)
Balance at September 30, 2021	(68,712)	712	(48,189)	862,138	258,190	1,120,328

NINE MONTHS ENDED SEPTEMBER 30, 2022

(¥ millions)

	Equity attributable to owners of the Company					
	Share capital	Share premium	Retained earnings	Treasury shares	Reserves	
					Net change in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2022	102,046	25,104	998,177	(201,801)	17,978	—
Profit	—	—	129,059	—	—	—
Other comprehensive income	—	—	—	—	1,813	686
Comprehensive income	—	—	129,059	—	1,813	686
Dividends from surplus	—	—	(53,778)	—	—	—
Acquisition of treasury shares	—	—	—	(50,013)	—	—
Disposal of treasury shares	—	(0)	—	1	—	—
Share-based payments	—	150	(1)	30	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	125	—	—	—	—
Transfer from reserves to retained earnings	—	—	1,395	—	(709)	(686)
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	275	(52,385)	(49,981)	(709)	(686)
Balance at September 30, 2022	102,046	25,379	1,074,851	(251,782)	19,082	—

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Reserves			Total		
	Foreign currency translation differences on foreign operations	Cash flow hedges	Total			
Balance at January 1, 2022	(47,935)	610	(29,347)	894,179	253,811	1,147,990
Profit	—	—	—	129,059	31,718	160,777
Other comprehensive income	109,140	(144)	111,495	111,495	954	112,449
Comprehensive income	109,140	(144)	111,495	240,554	32,672	273,226
Dividends from surplus	—	—	—	(53,778)	(11,686)	(65,464)
Acquisition of treasury shares	—	—	—	(50,013)	—	(50,013)
Disposal of treasury shares	—	—	—	1	—	1
Share-based payments	—	—	—	179	(180)	(1)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	125	962	1,087
Transfer from reserves to retained earnings	—	—	(1,395)	—	—	—
Other	—	—	—	—	6	6
Total transactions with owners of the Company	—	—	(1,395)	(103,486)	(10,898)	(114,384)
Balance at September 30, 2022	61,205	466	80,753	1,031,247	275,585	1,306,832

(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ millions)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Cash flows from operating activities		
Profit before tax	100,348	204,314
Depreciation and amortization	59,168	64,693
Impairment losses	27,459	6,721
Gain on reversal of impairment losses	—	(15,979)
Interest and dividends received	(1,717)	(2,514)
Share of profit of equity-accounted investees	(22,693)	(20,038)
Interest paid	3,511	3,377
Gain on sale of property, plant and equipment and intangible assets	(1,362)	(3,657)
Loss on disposal and sale of property, plant and equipment and intangible assets	1,028	1,821
Gain on sale of shares of subsidiaries	(23)	—
Gain on sale of equity-accounted investees	—	(48,087)
(Increase) decrease in trade receivables	75,551	44,414
(Increase) decrease in inventories	(23,620)	(33,796)
Increase (decrease) in trade payables	(7,164)	286
Increase (decrease) in liquor taxes payable	(30,183)	(21,402)
Increase (decrease) in deposits received	(9,418)	(8,565)
Other	28,340	(40,587)
Sub-total	199,225	131,001
Interest and dividends received	14,529	17,448
Interest paid	(3,191)	(3,147)
Income taxes paid	(18,530)	(58,113)
Cash flows from (used in) operating activities	192,032	87,188

(¥ millions)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(62,972)	(63,334)
Proceeds from sale of property, plant and equipment and intangible assets	3,719	4,903
Acquisition of investments	(2,737)	(1,504)
Proceeds from sale of investments	20,334	4,524
Acquisition of shares of subsidiaries, net of cash acquired	—	(46,183)
Payment for sale of shares of subsidiaries, net of cash disposed of	—	(442)
Proceeds from sale of shares of subsidiaries, net of cash disposed of	42,886	—
Acquisition of equity-accounted investees	(105)	—
Proceeds from sale of equity-accounted investees	5,101	122,249
Other	(21)	(1,718)
Cash flows from (used in) investing activities	6,204	18,495
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(174)	(6,148)
Increase (decrease) in commercial paper	(55,002)	13,991
Proceeds from long-term borrowings	1,000	41,748
Repayment of long-term borrowings	(20,000)	(64,462)
Proceeds from issuance of bonds	70,000	20,000
Payment for redemption of bonds	(40,000)	—
Repayment of lease liabilities	(13,658)	(14,799)
Payment for acquisition of treasury shares	(29)	(50,031)
Payment for acquisition of treasury shares by a consolidated subsidiary	(17)	(8)
Proceeds from settlement of derivatives	—	4,072
Dividends paid	(54,184)	(53,778)
Dividends paid to non-controlling interests	(11,179)	(11,686)
Other	(239)	15
Cash flows from (used in) financing activities	(123,483)	(121,086)
Effect of exchange rate changes on cash and cash equivalents	(4,542)	19,943
Net increase (decrease) in cash and cash equivalents	70,212	4,541
Cash and cash equivalents at beginning of period	161,667	149,488
Cash and cash equivalents at end of period	231,879	154,028

**(5) NOTES TO CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS
(GOING CONCERN ASSUMPTION)**

There are no matters to report under this item.

(CHANGES IN ACCOUNTING ESTIMATES)

Estimates and assumptions that have significant effects on the amounts recognized in the condensed quarterly consolidated financial statements are the same as those in the previous fiscal year in principle, except for the following matter.

Since there was an indication from the share transfer process that the amount of impairment losses recognized in prior years related to the Alcoholic Beverages business in Myanmar had decreased, the recoverable amount of the Alcoholic Beverages business in Myanmar was estimated at September 30, 2022. As a result, a gain of 15,749 million yen on reversal of impairment losses for non-current assets except for goodwill in relation to the Alcoholic Beverages business in Myanmar was recognized for the nine months ended September 30, 2022. The recoverable amount was measured at fair value less costs of disposal which was calculated based on the share transfer price mutually agreed in the transfer process.

**Supplementary Documents to
the Consolidated Financial Statements
for the Nine Months Ended September 30, 2022**

1. Summary of Consolidated Statement of Financial Position
2. Summary of Consolidated Statement of Profit or Loss, Indices, etc.
3. Revenue Details
4. Profit Details
5. Summary of Consolidated Statement of Cash Flows

**KIRIN HOLDINGS COMPANY, LIMITED
November 9, 2022**

1. SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ billions)

	As of September 30, 2022, Actual	As of December 31, 2021, Actual	Increase (decrease)	Description of changes
Non-current assets	1,761.6	1,645.3	116.3	
Property, plant and equipment	591.3	533.9	57.5	Increase by depreciation of yen, etc. Acquisition of a subsidiary, increase by depreciation of yen, etc.
Goodwill	314.8	264.2	50.6	
Intangible assets	229.2	196.3	32.9	
Equity-accounted investees	351.1	399.4	(48.2)	
Other	275.1	251.5	23.6	
Current assets	858.4	826.6	31.8	
Inventories	298.5	247.2	51.2	Demand increase, increase by depreciation of yen, etc.
Trade and other receivables	357.9	387.9	(30.0)	
Cash and cash equivalents	154.0	149.5	4.5	
Other	48.0	42.0	6.1	
Total assets	2,620.0	2,471.9	148.1	
Equity	1,306.8	1,148.0	158.8	
Equity attributable to owners of the Company	1,031.2	894.2	137.1	Increase in foreign currency translation differences arising from depreciation of yen, etc.
Non-controlling interests	275.6	253.8	21.8	
Non-current liabilities	683.4	725.0	(41.6)	
Bonds and borrowings	416.3	450.0	(33.7)	
Other	267.1	275.0	(7.9)	
Current liabilities	629.8	599.0	30.8	
Bonds and borrowings	150.6	101.5	49.1	
Trade and other payables	235.4	229.6	5.8	
Other	243.8	267.9	(24.1)	
Total liabilities	1,313.2	1,323.9	(10.8)	
Total equity and liabilities	2,620.0	2,471.9	148.1	

2. SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS, INDICES, etc.

(1) Condensed Statement of Profit or Loss, Indices, etc.

(¥ billions)

	Nine months ended September 30, 2022, Actual	Nine months ended September 30, 2021, Actual	Increase (decrease)	
Revenue	1,457.2	1,326.5	130.6	9.8%
Gross profit	656.7	598.3	58.4	9.8%
Selling, general and administrative expenses	521.5	480.3	41.2	8.6%
Normalized operating profit	135.2	118.0	17.2	14.5%
Other operating income	25.4	4.0	21.4	528.6%
Other operating expenses	32.1	43.6	(11.4)	(26.2%)
Operating profit	128.4	78.5	50.0	63.7%
Finance income	11.7	3.5	8.1	230.2%
Finance costs	3.9	4.4	(0.4)	(10.1%)
Share of profit of equity-accounted investees	20.0	22.7	(2.7)	(11.7%)
Gain on sale of equity-accounted investees	48.1	—	48.1	—
Profit before tax	204.3	100.3	104.0	103.6%
Income tax expense	43.5	30.8	12.7	41.3%
Profit	160.8	69.5	91.2	131.2%
Owners of the Company	129.1	51.6	77.4	150.0%
Non-controlling interests	31.7	17.9	13.8	77.2%

Normalized EPS	¥122	¥106	¥16	15.1%
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Revenue (excluding liquor tax)	1,240.8	1,118.0	122.8	11.0%
Normalized operating profit ratio (excluding liquor tax)	10.9%	10.6%		
Normalized EBITDA	199.2	176.6	22.6	12.8%
Gross Debt Equity Ratio	0.55	0.70		

Normalized EPS = Normalized profit / Average number of shares outstanding during the period

Normalized profit = Profit attributable to Owners of the Company ± Other operating income and expenses and other items after income taxes

Normalized EBITDA = Normalized operating profit + Depreciation and amortization* + Dividends received from equity-accounted investees

* Depreciation and amortization exclude those from right-of-use assets

(2) Exchange Rate for the Consolidation of Profit or Loss of the Major Overseas Companies

(¥)

	Nine months ended September 30, 2022, Actual	Nine months ended September 30, 2021, Actual
Lion (AUD)	90.75	82.41
Coke Northeast (USD)	129.46	109.11

(3) Period for the Consolidation of Profit or Loss of the Major Overseas Company

	Nine months ended September 30, 2022, Actual	Nine months ended September 30, 2021, Actual
San Miguel Brewery	From October 2021 to June 2022	From October 2020 to June 2021

3. REVENUE DETAILS

(1) Revenue Details

(¥ billions)

	Nine months ended September 30, 2022, Actual	Nine months ended September 30, 2021, Actual	Increase (decrease)	
Revenue	1,457.2	1,326.5	130.6	9.8%
Japan Beer and Spirits	502.0	485.0	17.0	3.5%
Kirin Brewery	480.4	467.9	12.5	2.7%
Other and elimination	21.7	17.2	4.5	26.0%
Japan Non-alcoholic Beverages	182.7	182.4	0.4	0.2%
Kirin Beverage	184.6	184.0	0.6	0.3%
Elimination	(1.9)	(1.6)	(0.2)	—
Oceania Adult Beverages	178.9	153.3	25.6	16.7%
Lion	179.0	153.3	25.7	16.7%
Elimination	(0.1)	(0.0)	(0.1)	—
Pharmaceuticals	283.4	253.6	29.8	11.8%
Kyowa Kirin	283.8	254.0	29.8	11.7%
Elimination	(0.4)	(0.4)	0.0	—
Other	310.1	252.3	57.8	22.9%
Mercian	42.2	40.7	1.5	3.6%
Coke Northeast	158.2	113.8	44.4	39.1%
Kyowa Hakko Bio	37.5	37.5	(0.1)	(0.2%)
Other and elimination	72.3	60.3	12.0	19.9%

'Myanmar Brewery' is included in 'Other and elimination' in 'Other' from 2022.

(Reference) Revenue excluding liquor tax

(¥ billions)

	Nine months ended September 30, 2022, Actual	Nine months ended September 30, 2021, Actual
Kirin Brewery	280.4	272.9

(2) Sales Volume Details of Major Business Companies

a. Kirin Brewery

	Nine months ended September 30, 2022		Nine months ended September 30, 2021	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	—	12.1%	—	6.3%
<i>Happo-shu</i>	—	(1.7%)	—	2.0%
New genre	—	(2.2%)	—	(15.3%)
Sub-total	—	2.0%	—	(5.8%)
RTD	330	(2.1%)	337	9.4%
Non-alcohol beverages	36	(4.9%)	38	13.5%

Kirin Brewery's sales volume will only be disclosed in the 2nd and 4th quarter in accordance with the agreement made by the Brewers Association of Japan.

b. Kirin Beverage Group

	Nine months ended September 30, 2022		Nine months ended September 30, 2021	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Category	10,000 cases		10,000 cases	
Black tea	3,794	7.0%	3,546	(4.2%)
Japanese tea	2,390	2.2%	2,339	(6.0%)
Coffee	1,790	(4.8%)	1,881	10.2%
Fruit and vegetable juice	1,770	(6.9%)	1,901	6.6%
Carbonated beverage	976	(6.1%)	1,039	(15.5%)
Water	2,709	(3.2%)	2,798	(15.0%)
Other	2,267	7.7%	2,105	(4.3%)
Total	15,696	0.6%	15,610	(4.8%)
Container Type				
Can	1,699	(4.5%)	1,779	(8.0%)
Large-sized PET bottles (2L, 1.5L, etc.)	5,076	(1.7%)	5,166	(14.4%)
Small-sized PET bottles (500ml, 280ml, etc.)	7,453	3.3%	7,218	2.1%
Other	1,467	1.4%	1,446	6.2%
Total	15,696	0.6%	15,610	(4.8%)
Domain				
Food & Beverage domain	14,111	(0.4%)	14,166	(6.9%)
Health science domain	1,585	9.8%	1,444	21.2%
Lactococcus lactis strain Plasma	450	44.6%	311	57.7%
Total	15,696	0.6%	15,610	(4.8%)

'Functional beverage' is included in 'Other' in 'Category' from 2022.

4. PROFIT DETAILS

(1) Normalized Operating Profit Details

(¥ billions)

	Nine months ended September 30, 2022, Actual	Nine months ended September 30, 2021, Actual	Increase (decrease)	
Normalized operating profit	135.2	118.0	17.2	14.5%
Japan Beer and Spirits	53.0	49.7	3.3	6.6%
Kirin Brewery	50.0	47.6	2.4	5.0%
Others	3.0	2.1	0.9	41.9%
Japan Non-alcoholic Beverages	15.3	17.6	(2.3)	(12.9%)
Kirin Beverage	15.3	17.6	(2.3)	(12.9%)
Oceania Adult Beverages	18.1	14.5	3.6	24.8%
Lion	18.1	14.5	3.6	24.8%
Pharmaceuticals	58.3	45.6	12.7	27.9%
Kyowa Kirin	58.3	45.6	12.7	27.9%
Other	29.6	23.5	6.0	25.6%
Mercian	(0.8)	1.2	(2.0)	—
Coke Northeast	19.1	12.2	6.9	56.7%
Kyowa Hakko Bio	(1.6)	0.9	(2.5)	—
Others	12.9	9.2	3.7	39.5%
Corporate expenses and inter-segment eliminations	(39.1)	(33.0)	(6.1)	—

Each normalized operating profit in each segment is calculated by adding back management fees paid to the Company to normalized operating profit.

'Myanmar Brewery' is included in 'Others' in 'Other' from 2022.

(2) Normalized Operating Profit Breakdown of Major Business Companies

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Increase in marginal profit of alcohol beverages, etc.	2.5	Total beer products 4.6 Sales increase in beer 40 thousand KL Sales decrease in <i>happo-shu</i> (5) thousand KL Sales decrease in new genre (12) thousand KL Total products other than beer products 0.3 Sales decrease in RTD (7) thousand KL Sales decrease in non-alcohol beverages (2) thousand KL, etc. Difference of change in composite of products, etc. (2.4)
	Increase in raw material cost of alcohol beverages	(2.8)	
	Decrease in selling expenses	4.9	Increase in sales promotion (2.3), and decrease in advertising 7.2 (Total 49.8→45.0)
	Increase in other expenses	(2.2)	Increase in electricity prices and fuel prices, etc.
Total		2.4	
Kirin Beverage	Increase in marginal profit of soft drink beverages	1.2	Increase in sales volume 0.86 million cases 0.4 Difference of change in products mix and composition ratio of containers, etc. 0.8
	Increase in raw material cost, etc.	(5.8)	Increase in raw material cost (3.5), increase in material cost (1.1), and increase in processing cost (1.3)
	Decrease in selling expenses	2.8	Decrease in sales promotion 1.9, and decrease in advertising 0.9 (Total 19.0→16.1)
	Increase in other expenses	(0.5)	
Total		(2.3)	

(3) Other Operating Income and Other Operating Expenses

(¥ billions)

	Nine months ended September 30, 2022, Actual	Nine months ended September 30, 2021, Actual	Increase (decrease)
Other operating income	25.4	4.0	21.4
Gain on sale of property, plant and equipment and intangible assets	3.7	1.4	2.3
Gain on sale of shares of subsidiaries	—	0.0	(0.0)
Gain on reversal of impairment losses	16.0	—	16.0
Other	5.8	2.7	3.1
Other operating expenses	32.1	43.6	(11.4)
Impairment losses	6.7	27.5	(20.7)
Business restructuring expenses	0.2	1.0	(0.8)
Software development expenses	6.0	9.3	(3.3)
Loss on disposal and sale of property, plant and equipment and intangible assets	2.3	1.2	1.1
Other	16.9	4.6	12.3

(4) Finance Income, Finance Costs, Share of Profit of Equity-accounted Investees, etc.

(¥ billions)

	Nine months ended September 30, 2022, Actual	Nine months ended September 30, 2021, Actual	Increase (decrease)
Finance income	11.7	3.5	8.1
Interest income	2.3	1.2	1.1
Dividend income	0.2	0.5	(0.3)
Foreign exchange gains (net)	8.0	1.3	6.6
Other	1.2	0.5	0.7
Finance costs	3.9	4.4	(0.4)
Interest paid	3.4	3.5	(0.1)
Other	0.5	0.8	(0.3)
Share of profit of equity-accounted investees	20.0	22.7	(2.7)
San Miguel Brewery	19.1	17.0	2.0
Other	1.0	5.7	(4.7)
Gain on sale of equity-accounted investees	48.1	—	48.1

5. SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ billions)

	Nine months ended September 30, 2022, Actual	Nine months ended September 30, 2021, Actual	Increase (decrease)
Cash flows from operating activities	87.2	192.0	(104.8)
Profit before tax	204.3	100.3	104.0
Depreciation and amortization	64.7	59.2	5.5
Other	(181.8)	32.5	(214.3)
Cash flows from investing activities	18.5	6.2	12.3
Acquisition of property, plant and equipment and intangible assets	(63.3)	(63.0)	(0.4)
Other	81.8	69.2	12.7
Cash flows from financing activities	(121.1)	(123.5)	2.4
Increase (decrease) in interest-bearing liabilities	5.1	(44.2)	49.3
Dividends paid	(65.5)	(65.4)	(0.1)
Other	(60.8)	(13.9)	(46.8)
Exchange rate changes	19.9	(4.5)	24.5
Net increase (decrease) in cash and cash equivalents	4.5	70.2	(65.7)